In The Specification:

Please replace the second full paragraph on page 4 of the specification with the following amended paragraph:

The central database server 10 is a centralized partitioned database server which partitions information both in terms of the smart card application as well as the accessibility of the information. The information is stored by category (medical, financial, etc.) as well as level of security (unrestricted, or public limited access, restricted)[[,]]. Thus, for example, in a retail purchase application 18, a merchant may require access to a user's credit information to determine whether to accept the user's credit for a particular dollar amount. This information may be partitioned in the limited access region 20 of commercial transaction applications 18.

Please replace the second full paragraph on page 8 of the specification with the following amended paragraph:

Referring to Figure 2, another embodiment of the network arrangement for smart card applications is shown. In contrast to Figure 1, the network arrangement of Figure 2 is implemented over an interconnected network of computers such as the Internet 100 as well as or alternatively to the traditional telephone network 102. In this example, Merchant A can be identified to the network smart card server 110 via the dial-up network of the telephone network 102. For example, the "caller ID" feature of the telephone network 102 could identify the merchant to the network smart card server 110. Alternatively, the server 110 can identify the merchant, such as Merchant B, by way of a digital certificate or access code associated with the particular merchant transmitted over the Internet. The merchant record at the server 110 identifies the nature of the transaction, i.e., pharmacy, dentist/doctor, insurance, financial, travel, retail, etc. This link between the merchant and server 110 may be established at the start of each business day, at the time of the transaction, or may be continuously established until [[The]] the merchant has "logged off" the system.